

CDCI ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Buffalo Cooperative FCU

Point of Contact:	Kelly Maurer	RSSD: (For Bank Holding Companies)	0
UST Sequence Number:	1395	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	145,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	23495
Date Funded (first funding):	September 30, 2010	City:	BUffalo
Date Repaid ¹ :	N/A	State:	New York

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

Increased real estate lending volume.

☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

We have been able to relax our limits on residential mortgage lending to allow for more portfolio held mortgages, both purchase money and term home equity.

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<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	
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<input type="checkbox"/>	Make other investments.	
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<input type="checkbox"/>	Increase reserves for non-performing assets.	
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<input type="checkbox"/>	Reduce borrowings.	
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☐ Increase charge-offs.

☐ Purchase another financial institution or purchase assets from another financial institution.

☒ Held as non-leveraged increase to total capital.

This additional capital allows us to continue to serve our members while we bring our own capital earnings up to regulatory levels. Without new members, we cannot increase our lending activities in any significant way.

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

The CDCI funds enabled us to continue to accept new members (who are a significant source of new loan applications). With out this secondary capital, we would have been forced to limit new memberships and new member deposits based on out net worth ratio. We have been able to avoid laying off staff and/ or reducing services.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

We were able to add Online Bill Payment services, which is key to attracting a younger demographic. We hope to be able to increase our lending activity to this group of people.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

We were able to avoid regulatory prompt corrective action.